UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

NOV 19 2012

ASSISTANT ADMINISTRATOR
FOR ENFORCEMENT AND
COMPLIANCE ASSURANCE

Kevin Lidbury
Fairbanks Morse Engine
701 White Avenue
Beloit, Wisconsin 53511

Re: Fairbanks Morse Engine (FME) request for determination regarding applicability of 40 CFR 60 Subparts IIII and JJJJ to the overhaul of an FME 38ETDD8-1/8 engine

Dear Mr. Lidbury:

This letter is in response to the Fairbanks Morse Engine (FME) request, dated May 1, 2012, for an Environmental Protection Agency (EPA) determination regarding whether the overhaul of the FME 38ETDD8-1/8 Enviro Design Reciprocating Internal Combustion Engine (RICE) will trigger applicability to the New Source Performance Standard (NSPS) in 40 CFR Part 60, Subparts IIII and JJJJ. The EPA has concluded that neither reconstruction nor modification would be triggered by the overhaul, so the RICE would not be subject to 40 CFR 60 Subparts IIII or JJJJ. However, the RICE will be subject to the requirements at 40 CFR Part 63, Subpart ZZZZ for existing sources once the overhaul is completed.

FME has stated that it intends to overhaul a 4400 horsepower RICE that combusts both natural gas and diesel fuel, has a displacement of 17.9 liters per cylinder, was manufactured in 1995, and has been in storage since 2007. The FME overhaul will involve disassembling the RICE down to the engine block and replacing worn components with new, identical components. FME has indicated that the installation of these new components will not change the horsepower rating, emission output, or normal operating load for this engine.

Reconstruction is triggered when the Fixed Capital Cost of New Components is greater than 50 percent of the Fixed Capital Cost of a Comparable New Facility, and it is technically and economically feasible for the reconstructed source to meet the relevant standards established by the EPA Administrator (40 CFR Section 60.15). Modification is triggered when changes are made that result in an increase in the emission rate of a regulated pollutant to the atmosphere (40 CFR Part 60.14(a)).

The Subpart IIII requirements, at 40 CFR Section 60.4200, state that an owner or operator of a stationary compression ignition RICE that was manufactured prior to April 1, 2006 is not subject to the NSPS, unless the engine was modified or reconstructed after July 11, 2005. In addition, the Subpart JJJJ requirements, at 40 CFR Section 60.4230, state that an owner or operator of a spark ignition RICE that was manufactured prior to July 1, 2008 is not subject to the NSPS, unless the engine was modified or reconstructed after June 12, 2006.

Based on our review of the FME provided overhaul project costs, EPA has verified that the cost of the new components and labor will be less than 50 percent of the cost of comparable new RICE. Since the total cost of the new components is less than 50 percent of the cost of a comparable new engine, we conclude that reconstruction has not been triggered. FME has indicated that it will replace worn components with new and identical components, and that the engine's emission output will not change in its remanufactured state. Based upon the FME provided information, EPA finds that the engine overhaul will not trigger modification. Since the overhaul of the RICE will not trigger reconstruction or modification, it will not need to comply with the Subpart IIII or Subpart JJJJ NSPS requirements for RICE.

However, once the engine is overhauled, it must comply with the RICE NESHAP provisions for existing engines at 40 CFR Part 63, Subpart ZZZZ. The applicable Subpart ZZZZ requirements will depend upon how much diesel fuel the RICE uses during a typical calendar year. Specifically, the requirements at 40 CFR Section 63.6675 state that if more than 2 parts diesel to 100 parts total fuel are used annually on an energy equivalent basis, then the RICE would have to meet the requirements for an existing nonemergency compression ignition engine. If less than 2 parts diesel to 100 parts total fuel are used, then the FME RICE would have to meet the requirements for an existing non-emergency spark ignition engine.

Please contact John DuPree of my staff at (202) 564-5950 should you have questions regarding this matter.

Sincerely,

Julius Banks, Chief
Air Branch
Monitoring, Assistance, and Media Programs Division

cc: Paul Roden, FME
Misty Vetterli, FME